



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

APR 13 2001

REPLY TO THE ATTENTION OF:

C-14J

VIA FACSIMILE (614) 464-0709
AND U.S. MAIL

CONFIDENTIAL AND INADMISSIBLE
SETTLEMENT COMMUNICATION

EPA Region 5 Records Ctr.



275109

April 11, 2001

Aeronca, Inc.
David E. Northrop, Esq.
Samuels and Northrop
180 East Broad Street, Suite 816
Columbus, OH 43215

Re: Skinner Landfill: Aeronca Inc.

Dear David:

I am in receipt of your letter dated March 28, 2001, in which you respond to my last settlement communication dated March 20, 2001. In your letter of March 28th, you reject the offer of \$592,644 to settle all claims against Aeronca related to the Skinner Landfill ("Site"), and propose instead \$158,875.

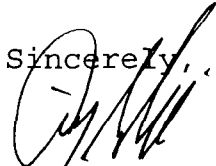
I have reviewed your counter-offer and cannot recommend a settlement on those terms. I am prepared to recommend to my management and the Department of Justice a settlement of \$531,228, that includes the \$47,000 credit for work Aeronca funded and a 10% discount the Work Group previously offered to settle the claims. This settlement proposal is based upon total site costs of approximately \$21.37 million, including: \$2.04 million in Work Group costs; \$3.93 million in U.S. EPA costs; and an estimated cost of \$15.4 million for the remedial action.

This proposal also is based upon Aeronca's total site share of 2.13%, the percentage assigned by the Allocator through the ADR process. \$531,228 represents 2.5% of the total site costs, a roughly proportionate amount. I do not think a lower percentage is justified based upon the arguments you have presented, and am doubtful whether a court would lower Aeronca's share given the difficult history of the Site and the results of the ADR that achieved settlements with the majority of parties, many of whom maintained objections to the Allocator's Preliminary and Final Reports. In particular, I note that potassium permanganate is a

listed hazardous substance at 40 C.F.R. Table 302.4.

I am disappointed that we remain separated by a substantial amount, but hope that further discussions may still yield a settlement. I would be happy to schedule a conference to discuss these issues with you. I will be out of the office beginning April 12th, and will return on April 23rd. During my absence you may contact Annette Lang at the Department of Justice regarding this matter. Ms. Lang may be reached at (202) 514-4213.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Craig Melodia', written over the word 'Sincerely,'.

Craig Melodia
Assistant Regional Counsel

cc: Annette Lang, U.S. DOJ